

News

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CONSUMER PRICE INDEX FOR THE SOUTH—OCTOBER 2003

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ declined 0.1 percent in October, not seasonally adjusted, to a level of 178.1 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Sheila Watkins noted that lower transportation costs accounted for most of the decline in the index. Overall, consumers' energy costs dropped 5.6 percent, the largest one-month decline in the index in 23 months. At the same time, food costs rose 0.6 percent. Excluding food and energy, the CPI-U, South increased 0.3 percent in October.

Over the past 12 months, the CPI-U South all items index rose 1.8 percent reflecting increases in food and beverages and housing (including household energy) costs. Despite a downturn last month, energy costs contributed to the over-the-year increase (up 7.1 percent); while food costs rose 3.2 percent. Excluding food and energy, the CPI-U, South index has increased 1.1 percent since last October.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months Percent change ended October, 2003
	October 2002	August 2003	September 2003	October 2003	
All items	0.4	0.3	0.2	-0.1	1.8
Food and beverages	0.1	0.4	0.2	0.6	3.2
Housing	-0.1	0.1	-0.1	-0.2	2.8
Apparel	3.2	-0.7	4.1	3.3	-2.9
Transportation	1.1	1.0	0.3	-1.5	0.5
Medical care	0.7	0.2	0.3	0.4	3.6
Recreation 1/	0.6	0.0	0.2	0.0	1.7
Education and communication 1/	0.0	1.1	0.0	0.1	0.0
Other goods and services	-0.1	0.0	-0.1	0.0	0.2

1/ Index on a December 1997=100 base.

Among the major index groups, the food and beverages index rose 0.6 percent after increasing 0.2 percent in September. Most of the increase was due to a 0.8 percent rise in costs for food at home, while the food away from home index rose 0.3 percent. Costs for alcoholic beverages increased 0.8 percent over the month. Over the past 12 months, the food and beverages index has risen 3.2 percent; reflecting a 3.7 percent increase for food at home costs, the highest 12-month increase for food at home since 1997. Costs for food away from home rose 2.6 percent and alcoholic beverages costs increased 2.1 percent over the past 12 months.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

The index for housing dropped 0.2 percent over the month due to lower costs for fuels and utilities. The utilities and fuels index declined 3.7 percent over the month, with electricity costs dropping 5.7 percent and utility natural gas service costs declining 0.3 percent in October. Costs for shelter increased 0.4 percent, as both rent of primary residence and owners' equivalent rent of primary residence increased 0.2 percent. The index for household furnishings and operations rose 0.2 percent. Over the past year, housing costs have increased 2.8 percent. Shelter costs have risen 2.4 percent while household fuels and utilities costs increased 8.6 percent. Costs for household furnishings and operations dropped 1.7 percent.

Apparel costs increased 3.3 percent in October after rising 4.1 percent the previous month. Both increases were in line with past trends in this index which tends to rise each year in the September-October pricing periods. Despite the most recent increases, the index has declined 2.9 percent over the past year, reflecting large price declines in the December-January and June-July pricing periods.

The transportation index declined 1.5 percent last month. The index is sensitive to changes in gasoline prices which declined in October after rising over the past three months. Gasoline prices were 6.7 percent lower in October after increasing 11.0 percent since June. Prices for new vehicles were unchanged over the month, while prices for used cars and trucks declined 2.7 percent. Costs for used cars and trucks have declined for seven consecutive months. Since October 2002, the transportation index has increased 0.5 percent as lower costs for new vehicles (-1.5 percent) and used cars and trucks (-10.2 percent) partially offset higher gasoline prices (4.0 percent).

Medical care costs rose 0.4 percent in October. The index for medical care commodities increased 0.2 percent, while costs for medical care services rose 0.6 percent. Over the past year, the medical care index has advanced 3.6 percent. Medical care commodities—prescription drugs, nonprescription drugs, and medical supplies—increased 2.5 percent, and medical care services rose 3.9 percent over the year.

Other major index groups include the recreation index, education and communication index, and the other goods and services index. Over the month, the index for recreation was unchanged. Over the past year, this index has increased 1.7 percent. Costs for education and communication increased 0.1 percent in October. Over the past year, costs for education and communication were unchanged. The index of other goods and services was unchanged over the month. Since October 2002, this index has risen 0.2 percent.

Population size groups

Over the month, consumer prices in the South were unchanged for the largest areas, those with 1.5 million or more residents (Size Class A). In mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), the index declined 0.2 percent. In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index dropped 0.4 percent. Over the year, consumer costs in the South rose 2.0 percent in the largest areas (Size Class A), 1.8 percent in the mid-sized areas (Size Class B/C), and 1.6 percent in the smallest areas (Size Class D).

Technical Notes

The Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for all Urban Consumers (CPI-U) and in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 1999-2000 period, effective with release of data for January 2002. The newer weights replace the 1993-95 weights, which were first used in the index effective with January 1998 data. Additionally, CPI expenditure weights will be updated at two-year intervals subsequent to the 2002 updating. Thus, for example, CPI expenditure weights will be updated to the 2001-02 period effective with release of CPI data for January 2004.

The BLS continues to publish separate indexes for the four Census regions of the United States. However, beginning in 1998, there are only two area size classes for metropolitan areas, instead of the former three: Size A - areas with a population greater than 1.5 million; and Size B/C - areas of 50,000 to 1.5 million population. This cutoff of 1.5 million in population reflects a rise from the former cutoff of 1.2 million and is important since cities in size class A are those for which the Bureau publishes city level indexes. The B/C size class is a combination of the old Size B and Size C metropolitan areas. In addition to the two metropolitan area size indexes for each region, separate Size D indexes for areas of less than 50,000 continue to be published for both the Midwest and the South. Separate indexes for Northeast and West urban nonmetropolitan areas were discontinued in 1987.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro3/home.htm>. CPI data are also available through our fax-on-demand system. For a catalog of items available to be faxed to you, call our fax-on-demand number at (215) 597-4153. If you have additional questions, you can contact the Mid-Atlantic information office directly by dialing (215) 597-3282.

Table 1. Consumer price index for all urban consumers and urban wage earners and clerical workers, South Region, (1982-84=100), not seasonally adjusted.

Group	All urban consumers			Urban wage earners and clerical workers		
	Index October 2003	Percent change to Oct 2003		Index October 2003	Percent change to Oct 2003	
		From			from	
		Oct 2002	Sep 2003		Oct 2002	Sep 2003
All items	178.1	1.8	-0.1	174.9	1.5	-0.2
All items (Dec 1977=100)	289.0	-	-	283.2	-	-
Food and beverages	179.7	3.2	0.6	178.7	3.4	0.6
Food	179.7	3.2	0.6	178.8	3.4	0.6
Food at home	177.2	3.7	0.8	176.2	3.9	0.9
Food away from home	185.7	2.6	0.3	185.0	2.7	0.2
Alcoholic beverages	179.1	2.1	0.8	177.5	2.5	0.7
Housing	170.9	2.8	-0.2	168.9	2.7	-0.4
Shelter	190.1	2.4	0.4	188.2	2.2	0.3
Rent of primary residence	185.8	2.2	0.2	185.2	2.1	0.2
Owners' equivalent rent (1)	191.6	2.2	0.2	178.5	2.1	0.2
Fuel and utilities	157.3	8.6	-3.7	157.2	8.5	-3.9
Fuels	136.0	10.0	-4.6	134.8	9.8	-4.8
Gas (piped) and electricity	138.0	9.9	-4.8	137.1	9.7	-4.9
Electricity	131.5	7.3	-5.7	130.7	7.3	-5.7
Utility natural gas service	175.4	23.6	-0.3	177.4	23.5	-0.4
Household furnishings and operation	126.1	-1.7	0.2	121.0	-2.2	0.1
Apparel	136.7	-2.9	3.3	136.3	-2.4	3.8
Transportation	153.0	0.5	-1.5	150.3	-0.7	-1.9
Private transportation	151.2	0.3	-1.6	148.8	-0.9	-2.0
New & used motor vehicles (2)	95.1	-3.6	-0.6	93.6	-5.4	-1.2
New vehicles	140.8	-1.5	0.0	140.4	-1.5	-0.1
New cars and trucks (2) (3)	95.8	-1.5	0.0	-	-	-
New cars (3)	139.3	-1.3	0.0	-	-	-
Used cars and trucks	135.2	-10.2	-2.7	136.0	-10.3	-2.7
Motor fuel	128.2	4.0	-6.7	128.0	3.8	-6.8
Gasoline (all types)	127.6	4.0	-6.7	127.4	3.8	-6.8
Regular unleaded (3)	125.5	4.1	-6.8	125.3	4.0	-6.9
Midgrade unleaded (3) (4)	134.2	4.0	-6.7	134.1	3.9	-6.7
Premium unleaded (3)	129.7	3.7	-6.1	129.5	3.6	-6.2
Medical care	291.4	3.6	0.4	292.7	3.8	0.6
Medical care commodities	257.9	2.5	0.2	254.0	2.4	0.2
Medical care services	300.5	3.9	0.6	302.6	4.2	0.7
Professional services	260.6	2.6	0.2	261.6	2.6	0.2
Recreation (2)	107.9	1.7	0.0	105.6	1.2	0.1
Education and communication (2)	109.1	0.0	0.1	107.2	-0.8	0.0
Other goods and services	287.2	0.2	0.0	292.4	-0.5	-0.1
Commodities	151.4	0.1	-0.2	151.0	-0.3	-0.3
Services	205.5	3.2	-0.1	204.0	3.1	-0.2
All items less medical care	171.4	1.8	-0.1	168.8	1.3	-0.3
All items less shelter	174.5	1.6	-0.3	171.2	1.2	-0.5
Energy	129.5	7.1	-5.6	128.6	6.8	-5.7
All items less energy	184.7	1.4	0.4	181.4	0.9	0.3
All items less food and energy	186.0	1.1	0.3	182.2	0.4	0.3
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$.561	-	-	\$.572	-	-
December 1977=\$1.00	\$.346	-	-	\$.353	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	180.1	2.0	0.0	177.3	2.1	-0.1
Class B/C - 50,000 to 1.5 million pop 5/	113.6	1.8	-0.2	112.1	1.1	-0.3
Class D - Nonmet less than 50,000	175.6	1.6	-0.4	174.8	0.9	-0.6

1/ Indexes on a December 1982=100 base.

2/ Indexes on a December 1977=100 base.

3/ Special index based on a substantially smaller sample.

4/ Indexes on a December 1993=100 base.

5/ Indexes on a December 1996=100 base.

- Data not available.